

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 262

April 24, 2017

SUMMARY OF BILL: Authorizes local education agencies (LEAs) to use the ACT and the ACT aspire suite of exams as an alternative to the Tennessee Comprehensive Assessment Program (TCAP) for end of course assessment exams.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$76,900

Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined. However, the Governor’s recommended budget document, on page B-107, identifies \$1,123,714,400 in federal funding for K-12 schools.

Assumptions:

- Students that are juniors in high school currently receive a voucher from the state to take the ACT as the required 11th grade assessment pursuant to Tenn. Code Ann. § 49-6-6001 (b). As such, the cost estimate for this bill is based on the use of the ACT Aspire suite of standardized tests.
- The state will not be required to purchase additional standardized tests.
- According to DOE, the combined variable cost associated with administering any TCAP, TNReady, or EOC test is approximately \$1.79 per student.
- The minimum cost associated with purchasing the online ACT Aspire test is approximately \$20 per student.
- Given the cost difference between the two, it would be cost prohibitive for an LEA to elect to administer the ACT Aspire test in lieu of administering TCAP, TNReady and EOC tests. As a result, it is estimated that few, if any, would elect to do so. For the purposes of this fiscal note, it is assumed that LEAs will make the most cost effective decision. Therefore, any permissive change in local expenditures is estimated to be not significant.
- The DOE will still be required to prepare for the event an LEA will choose to opt into utilizing the ACT Aspire tests. This preparation would include performing certain activities at the state level to help administer two different suites of standardized tests each year. These duties include but are not limited to helping to prepare a test platform,

setting testing windows, preparing for two annual regional meetings with LEAs that will use the ACT Aspire suite of tests each year; and communicating with the ACT Aspire test manufacturer. Given this, the DOE will require one additional employee; regardless of how many LEAs opt into using ACT Aspire suite of tests and/or the SAT/PSAT.

- The recurring increase in state expenditures for a new employee is estimated to be \$76,881 [(\$60,000 salary + \$16,881 benefits)].
- Title 1 part A of the Every Student Succeeds Act (ESSA) requires measurement of state standards.
- The ACT Aspire suite is not aligned with state standards; and would therefore be out of compliance with federal ESSA requirements, resulting in a possible loss of federal funding at the discretion of the U.S. Department of Education (USDOE).
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the USDOE; however, the Governor's recommended budget document identifies \$1,123,714,400 in federal funds to K-12 schools, all or any portion thereof, could be jeopardized if Tennessee becomes non-compliant with the ESSA assessment requirements.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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